

## **FAMILY CARE STATE-WIDE**

### Problem Statement

- The majority of expenditures (74%) in the Medicaid program are made to meet health care and long term care needs on behalf of seniors and people with disabilities.
- In SFY 2004, state government spent \$2.046 billion on a range of long-term care services, serving 60,000 seniors and people with disabilities in homes, assisted living facilities, and nursing homes.
- Under federal law, seniors and people with disabilities that require long-term care services are entitled to nursing home care but are not entitled to home and community-based care.
- Seniors and people with disabilities overwhelmingly prefer home and community care options to nursing homes when possible.
- While Wisconsin has been a national leader in offering community-based alternatives to nursing home care for more than two decades, 11,500 people are still on waitlists for community slots under the Community Options Program (COP) and the Community Integration Program (CIP).
- The wait for community-based services can be long – 1.5 years for seniors and nine years for people with disabilities in some counties. Each year, 19% of seniors on the COP waiting list enter a nursing home because they can't wait anymore.
- The financial burden of the long-term care system is expected to rise in the coming years. The number of people over 85 years old (those most likely to need long-term care) is expected to grow by 45% by 2030 which will greatly increase the demand for long-term care services.
- While long-term care remains a financial challenge, Wisconsin boasts a national model program which has proven very cost effective – Family Care.
- Family Care is a managed care program that operates in 5 Wisconsin counties. It extends the entitlement to long-term care to community care.
- A recent independent evaluation of the Family Care program found that it saved an average of \$452 per member per month in total MA expenditures in the four non-Milwaukee counties during 2003 and 2004 and it did so by helping people stay healthy and more independent in their homes and communities.<sup>1</sup>

### Policy Solution

- Expand the successful Family Care program statewide over the next five years.
- Begin implementation immediately and do so within the existing Family Care Budget, in a cost-effective manner.

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<sup>1</sup> The primary drivers of this cost savings were: less reliance on nursing home care; improved health of participants and maintenance of functional ability to limit the need for assistance with activities of daily living.

### Policy Goals

- Ensure that seniors and people with disabilities are not forced into nursing homes if that is not what they want or need.
- Eliminate waitlists for community-based long-term care services within 5 years.
- Utilize creative public-private partnerships that provide cost-effective services on a regional basis.
- Expand access to Family Care quickly within the existing budget to the greatest degree possible.

### Key Proposal Elements

- Expand the Family Care program statewide within 5 years.
- Change state law to allow for this expansion by repealing the cap on Family Care enrollment.
- Utilize the results of the recently completed Request for Information on long-term care reform to identify creative partnerships that will allow the expansion to begin as quickly as possible.
  - 51 responses have been received regarding the RFI.
  - 63 counties responded either individually or as part of a multi-county region. Private sector companies also responded to the RFI.
  - Most of the responses were public-private partnerships.
  - In the very near future the state will award \$1.4 million in Family Care Planning grants to the most creative partnerships.
- Ensure that Family Care is expanded on a regional basis so as to minimize costs and to ensure maximum coverage.
- Encourage public-private partnerships that infuse public sector accountability and private sector ingenuity and cost-effectiveness.
- Also provide options that include acute care services within the Family Care umbrella of services (e.g. Partnership model) where cost effective.
- Eliminate all waitlists for community-based long-term services over 5 years. Currently, 11,500 people are on waitlists statewide.
- Because Family Care is more cost-effective than the current service delivery system, and multi-county public-private partnerships will further improve cost-effectiveness, the phase-in of Family Care including reduced waiting lists will essentially be budget-neutral.
- DHFS will work with the Council on Long Term Care Reform as it further develops the plans for statewide expansion.